

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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The Annual Convention

Interest expressed in the program, and the number of room reservations requested, give promise that the annual convention of the National Canners Association and Allied Associations at the Stevens Hotel in Chicago the week of January 20th will be one of the best and most largely attended in the history of these three organizations. All rooms available in the Stevens Hotel have already been assigned, and other hotels will take care of the overflow.

The program of the National Canners Association marks a return to the custom of earlier years when the Section meetings were devoted largely to the discussions of problems connected with the growing, processing, and merchandising of the industry's products.

Besides the Section meetings there will be group meetings, and conferences under the direction of the Research Laboratories, Raw Products Research Bureau, and the Home Economics Division. The Research Laboratories will have an office open the entire week at which canners may take up with members of the laboratory staffs the problems and questions on which they want help.

The program is planned in fact to present information on timely topics of general interest to all canners, to furnish opportunity for discussions of questions of interest to the various commodity groups, and to give advice and aid to individual canners on their particular problems.

A label exhibit has been prepared which will be on display at the office of the Research Laboratories where canners may see what is being done in the way of descriptive labeling and discuss the information presented in the memorandum on labeling recently sent to all canners by the Association.

The Convention will be formally opened on Monday afternoon with a general session at which there will be addresses on the labeling situation, problems arising from the Social Security Act, the economic relations of canners and growers, and the problems of the coming year from the economic and legislative point of view. Speakers at the opening session will be Howard A. Orr, President of the Association; H. Thomas Austern, of Counsel for the Association; Ralph O. Dulany, former Chairman of the Code Authority of the Canning Industry; and Dean Acheson, of Covington, Burling, Rublee, Acheson and Shorb, former Undersecretary of the Treasury.

On Tuesday, Wednesday and Thursday mornings the usual section meetings will be held, and on Tuesday afternoon there will be such commodity group meetings as are needed to consider reports from subcommittees that have been working on descriptive labeling terms for various products. The closing general session will be held on Friday morning.

On Tuesday, Wednesday and Thursday afternoons the Laboratories and Raw Products Research Bureau will conduct a series of conferences, at which canners, plant superintendents and field men will be enabled to discuss problems

of canning technology and crops production with members of the Association's staff, research workers from other organizations, and representatives of government offices engaged in various fields of research. A home economics conference will be held on Wednesday afternoon under the direction of the Home Economics Division of the Association.

The program for the Convention is now in press and will be mailed to canners in advance of the Convention. Most canners who attend will expect to confer with their brokers and distributors, as well as to consider questions of equipment and supplies for the coming year. For everyone it will mean a week full of business activity, but there will be, of course, the usual social events and entertainment, including the Old Guard reception and dinner on Sunday evening preceding the Convention week, the dinner dance on Wednesday evening, and the entertainment by the American Can Company on Thursday evening. Numerous breakfasts, luncheons and dinners have also been arranged by individual canners and groups.

To canners who wish to get the most out of convention week it is suggested that a careful study of the program be made in advance of the trip to Chicago, so that engagements can be arranged so as to make the best use of available time.

Interpretation of Wheat Adjustment Contract

Growers and canners of peas in the Northwest have been deeply interested during the past several weeks in the status of pea growing under the A.A.A. Wheat Adjustment Contract for 1936-39.

Much of the expansion in pea canning that has taken place in the Northwest during the last three years is on land that was formerly devoted principally to wheat production. A two-year rotation of wheat alternating with summer fallow is typical farm practice in much of the Palouse and neighboring wheat territory.

In the course of numerous conferences with the Grain Division of the A.A.A., the government officials have indicated a desire to arrive at a fair solution of the problem and an interpretation of the contract that would be satisfactory to growers and canners in protecting the interests of both in the newly established and developing industry in this region. The A.A.A. officials state that the only question is one of method, and the Grain Division is now working on a plan which it hopes will be approved by all concerned.

Provision Contractors Not Required to Use Guffey Act Coal

The government cannot require that contractors furnishing provisions to the government use only coal that is produced in compliance with the Guffey Act, according to a ruling by Comptroller General J. R. McCarl.

The ruling was made in a case where a firm submitting a bid on butter and cheese had struck from its proposal the following provision, the inclusion of which had been prescribed by the Treasury Department:

"In accordance with the provisions of Section 14 (b) of the Bituminous Coal Conservation Act of 1935 (Public—No. 402—74th Congress, approved August 30, 1935) the contractor agrees that he will buy no bituminous coal to use on or in the carrying out of this contract from any producer except such producer be a member of the Bituminous Coal Code set out in accordance with Section 4 of said Act as certified to by the National Bituminous Coal Commission."

The firm referred to was the only bidder and the Treasury Department requested a ruling from the Comptroller General as to whether the bid should be rejected or whether it might be accepted as submitted.

In his ruling the Comptroller General referred to the circular letter of the Treasury Department issued in October, which appears to have been promulgated for the purpose of effectuating the provision of the Guffey Act that states:

"(b) Each contract made by the United States, or any department or agency thereof, with a contractor for any public work, or service, shall contain a provision that the contractor will buy no bituminous coal to use on or in the carrying out of such contract from any producer except such producer be a member of the code set out in section 4 of this Act as certified to by the National Bituminous Coal Commission."

As to this section the Comptroller General in his ruling said:

"The provision is required in each contract 'for any public work, or service.' Such provision is not required in contracts for the purchase of butter and cheese or other provisions. A contract for the purchase of provisions is not a contract 'for any public work, or service.'"

"In making purchases of provisions in the future, the provision in question should be omitted from the invitations. And in such purchases where bids have been submitted theretofore in some of which the provision has not been deleted, and the contract has not yet been awarded, all the bids should be rejected and the needs of the Government readvertised in order that all the bids may be submitted on the same basis.

"In contracts of the classes to which the provision above quoted applies bids in which the provision has been deleted are to be disregarded in making the award."

Consumer Literature Interests Canned Food Salesmen

Canned food salesmen have been present at a number of state Dietetic Association meetings when the subject of the value of research in improving the quality of canned foods has been presented by a member of the staff of the Association's Home Economics Division.

Whenever this has been the case, the salesmen have expressed much interest in the Association's consumer publications, and have asked for material to give to their customers.

A number of canning companies have supplied their salesmen with information sheets and leaflets published by the Division. In some instances salesmen have been furnished with a portfolio of the consumer publications to use in con-

tacting dietitians, cafeteria managers, and other persons who are large buyers of canned food. The number of requests received by the staff of the Division from such contacts prove that this type of material is effective in supplying information to buyers and increasing their confidence in canned foods.

Catching Up with a Racket Game

A second, and a happier, chapter has been written in the story of the racket by which a business-like stranger apparently ready to pay cash for purchases got away with about \$1,000 worth of canned foods from an Ohio company, as was reported in the Information Letter for November 9th.

The stranger was located, arrested, indicted by a grand jury, and is now out on bail awaiting trial. Better yet, the goods obtained are reported to have been located, and the canning company has instituted court action to recover them.

New Bulletin on Agricultural Research Relating to Canning Crops

A review of current progress in agricultural research, of particular interest to those concerned with crop production and related problems, has been prepared by the Bureau of Raw Products Research and will be available for distribution in bulletin form at the convention. This report presents a general picture of the scope and range of raw products research, based on the latest published reports of state agricultural experiment stations and various scientific bureaus of the Department of Agriculture. The bulletin also contains descriptions of publications issued since 1932 by the experiment stations and the Department of Agriculture on subjects of particular interest to canners.

Forecast of Freight Movement

Freight car loadings in the first quarter of 1936 are expected to be about 6 per cent above actual loadings in the same quarter in 1935, according to estimates just compiled by the Thirteen Shippers' Regional Advisory Boards. On the basis of these estimates, freight car loadings of the twenty-nine principal commodities will be 4,677,608 cars in the first quarter of 1936, compared with 4,412,487 actual loadings for the same commodities in the corresponding period in 1935.

Twelve of the Thirteen Shippers' Regional Advisory Boards estimate an increase in the loadings for the first quarter of 1936 compared with the same period in 1935, the only one estimating a decrease being the New England Board which would have reported an increase except for an anticipated reduction of 30 per cent in shipments of potatoes.

Of the twenty-nine commodities included in the estimate, increases are expected in twenty-five while decreases are expected in four. The four commodities for which a decrease is estimated are: Hay, straw and alfalfa; citrus fruits; potatoes; and other fresh vegetables.

Shipments of canned products, including catsup, jams, jellies, olives, pickles, preserves, etc., during the first quarter of 1936 are estimated at 38,768 carloads as compared with 35,605 cars actually loaded in the corresponding period of 1935, an increase of 8.9 per cent.

Of the commodities for which increases are estimated in the first quarter of 1936, those showing the largest percentage of increase are: Agricultural implements and vehicles other

than automobiles, 38.6 per cent; grain, 26.2 per cent; automobiles, trucks and parts, 21.9 per cent; cotton, 20.7 per cent; brick and clay products, 18.7 per cent; ore and concentrates, 17.2 per cent; iron and steel, 16.9 per cent; machinery and boilers, 16.4 per cent; lumber and forest products, 16.3 per cent; and cement, 11.6 per cent.

Japanese Exports of Canned Tuna Fish Show Marked Increase

Japanese shipments abroad of canned tuna fish have notably improved during the current year, according to a report to the Commerce Department from its Tokyo office. Exports in the January-October period amounted to 349,985 cases compared with 246,467 cases in the corresponding period of 1934, an increase of 103,518 cases, or 42 per cent.

The United States is the outstanding outlet for this Japanese product, the report indicates. During the first ten months of 1935, shipments to the American market totaled 241,846 cases, representing 69 per cent of the exports in this period, compared with 210,935 cases, representing 85 per cent of total shipments in the similar period of last year.

There are no appreciable supplies of fresh tuna fish now on the Japanese market, although supplies of frozen tuna are available. Prices paid for tuna suitable for canning are advancing, but it is not expected that this will materially affect quotations on the canned product.

Cost of Liquidating Code Authority

The following summary of receipts and disbursements of the Canning Code Authority during the liquidation period is based upon the "Report on Examination, from June 1, 1935, to October 23, 1935," submitted by F. W. Lafrentz and Co., copy of which may be consulted in Washington by any member of the industry.

| | |
|---|------------------|
| Receipts: | |
| Cash on hand, June 1..... | \$28,124.06 |
| Sale of furniture, postage, etc..... | 1,136.16 |
| Disbursements: | |
| Salaries (office and field)..... | 29,260.22 |
| Travel (members and field staff)..... | 3,516.24 |
| Accountants' services..... | 1,672.34 |
| Over-assessments and uncollectible check..... | 135.00 |
| Rent, printing, telegraph, etc..... | 211.03 |
| Refunds of assessments..... | 900.16 |
| | 22,729.16 |
| Total disbursements..... | 29,163.93 |
| Cash on hand October 23, 1935..... | 96.29 |
| No member of the staff was paid beyond July 31. | |

Although the cash on hand is set down as \$96.29, the actual bank balance is \$266, of which \$169.71 is the face value of uncashed refund checks drawn by the Code Authority in July.

The total receipts during the life of the Code Authority amounted to \$117,990.54, and the disbursements to \$117,894.25.

Canned Food Exports for Eleven Months of 1935

| Articles | November 1934 | | November 1935 | | January-November 1934 | | January-November 1935 | |
|-------------------------------------|---------------|------------|---------------|------------|-----------------------|-------------|-----------------------|--------------|
| | Pounds | Value | Pounds | Value | Pounds | Value | Pounds | Value |
| Canned meats, total..... | 1,593,938 | \$ 549,956 | 1,018,019 | \$ 351,372 | 15,304,867 | \$4,964,415 | 11,805,061 | \$ 4,047,655 |
| Beef..... | 332,650 | 113,956 | 183,176 | 61,413 | 2,328,987 | 757,931 | 2,007,232 | 678,209 |
| Pork..... | 1,028,010 | 385,667 | 623,722 | 230,695 | 10,971,607 | 3,788,593 | 8,000,918 | 2,928,550 |
| Sausage..... | 128,500 | 30,379 | 94,771 | 25,685 | 1,288,245 | 292,112 | 921,439 | 239,641 |
| Other..... | 104,778 | 19,944 | 116,350 | 33,579 | 716,028 | 125,779 | 875,472 | 201,255 |
| Canned vegetables, total..... | 2,542,375 | 229,646 | 4,081,731 | 410,366 | 31,237,239 | 3,075,217 | 34,059,850 | 3,422,000 |
| Asparagus..... | 905,251 | 111,832 | 1,842,792 | 243,193 | 17,420,310 | 2,044,329 | 17,183,955 | 2,150,003 |
| Baked beans and pork and beans..... | 488,182 | 25,176 | 458,689 | 25,611 | 3,825,924 | 207,069 | 4,586,276 | 258,762 |
| Corn..... | 285,719 | 21,572 | 418,952 | 30,155 | 1,677,499 | 123,835 | 2,136,000 | 165,665 |
| Peas..... | 289,186 | 22,151 | 469,189 | 37,088 | 2,781,044 | 227,425 | 3,312,283 | 265,663 |
| Soups..... | 214,482 | 21,443 | 237,633 | 21,404 | 1,624,960 | 178,966 | 2,033,963 | 210,952 |
| Tomatoes..... | 139,429 | 8,994 | 236,352 | 19,069 | 1,593,459 | 103,463 | 1,705,936 | 121,555 |
| Other..... | 220,126 | 18,478 | 415,124 | 33,846 | 2,314,043 | 190,130 | 3,101,437 | 249,400 |
| Condensed milk..... | 821,216 | 104,162 | 332,380 | 45,444 | 7,732,340 | 956,420 | 4,415,827 | 547,238 |
| Evaporated milk..... | 2,839,808 | 176,718 | 2,645,942 | 166,594 | 35,038,881 | 2,194,066 | 29,642,571 | 1,962,478 |
| Canned fruits, total..... | 10,716,971 | 818,308 | 37,623,124 | 2,808,327 | 220,639,267 | 15,987,311 | 283,098,194 | 20,902,873 |
| Apples and applesauce..... | 473,544 | 22,054 | 2,764,802 | 114,022 | 9,750,372 | 398,531 | 17,978,396 | 766,342 |
| Apricots..... | 260,468 | 24,629 | 3,108,284 | 234,880 | 12,258,332 | 939,073 | 20,768,905 | 1,591,460 |
| Berries, other..... | 33,423 | 4,308 | 120,514 | 15,718 | 489,217 | 54,859 | 768,227 | 92,282 |
| Cherries..... | 67,064 | 7,706 | 145,478 | 19,156 | 1,264,365 | 151,908 | 1,300,113 | 141,480 |
| Fruits for salad..... | 1,193,060 | 126,373 | 5,203,053 | 554,871 | 32,403,315 | 3,323,275 | 36,523,447 | 3,904,831 |
| Grapefruit..... | 80,020 | 5,819 | 515,813 | 29,016 | 22,847,202 | 1,259,155 | 29,901,423 | 1,728,320 |
| Loganberries..... | 578,010 | 42,936 | 227,243 | 17,139 | 3,776,161 | 287,206 | 4,468,421 | 312,479 |
| Peaches..... | 2,275,462 | 160,258 | 12,891,890 | 879,851 | 55,812,095 | 3,677,680 | 75,506,799 | 5,175,106 |
| Pears..... | 4,561,734 | 320,457 | 9,264,803 | 645,995 | 58,727,655 | 4,013,745 | 72,437,060 | 5,194,305 |
| Pineapple..... | 801,985 | 70,982 | 2,346,056 | 212,267 | 19,797,056 | 1,579,561 | 20,082,947 | 1,618,195 |
| Prunes..... | 89,092 | 8,433 | 286,331 | 24,071 | 779,135 | 77,745 | 1,102,062 | 85,557 |
| Other..... | 303,109 | 24,353 | 758,857 | 61,341 | 2,734,362 | 224,573 | 3,260,394 | 292,516 |
| Canned fish, total..... | 7,627,934 | 758,389 | 13,359,496 | 1,293,558 | 85,761,240 | 8,975,399 | 89,161,498 | 9,757,388 |
| Mackerel..... | 1,280,993 | 44,514 | 299,031 | 15,025 | 4,794,279 | 203,109 | 2,111,367 | 104,986 |
| Salmon..... | 3,186,666 | 427,910 | 4,094,140 | 717,272 | 46,065,334 | 6,279,147 | 42,187,436 | 6,423,691 |
| Sardines..... | 2,301,395 | 134,716 | 8,112,190 | 420,525 | 30,107,493 | 1,746,159 | 40,587,171 | 2,443,658 |
| Shellfish..... | 535,763 | 101,885 | 756,919 | 121,215 | 3,701,113 | 585,187 | 4,134,703 | 644,171 |
| Other..... | 323,117 | 49,364 | 97,216 | 19,521 | 1,093,021 | 161,797 | 140,821 | 140,882 |

Citrus Fruit Situation in Mediterranean Basin

Oranges and mandarins available for export during the 1935-36 season from the Mediterranean Basin countries are expected to be around 35,000,000 boxes (70 lb. basis), or about the same as in the last two seasons, according to the U. S. Foreign Agricultural Service. A smaller crop than usual is expected in Spain but Palestine is harvesting a bumper crop. Average crops are expected in both Algeria and Italy.

The trend of orange production in Mediterranean countries is upward. Present young groves indicate that increases in production may be expected in Palestine and Spain for the next decade. Not much change is anticipated in Italy and Algeria. Exports from the Mediterranean region may be expected to increase rapidly during the next five years. If demand continues to expand, exports may be expected to increase over a longer period of years. The proportion of the crop used as fresh fruit will not be as high if consumption fails to increase as fast as production.

The 1935 lemon crop in Italy is expected to be larger than the light 1934 crop of 11,300,000 boxes (74 lb. basis). A fairly good crop of winter lemons is expected this year in Sicily, although production on the whole is tending downward because of the inroads of the "mal secco" disease.

Small quantities of lemons are produced in Spain, Tripoli, Palestine, and other Mediterranean countries. The increase in these supplies is not large enough at present to offset the decline in Italian production occasioned by the "mal secco."

Production of citrus by-products and essential oils in Italy was very light during 1934-35. Only small stocks are now reported to be on hand. Shipments of orange oil from French Guinea have increased rapidly since the start of the trade in 1930 and are offering serious competition to the Italian product. It is difficult to forecast the probable production of citrus by-products and oils in Italy for 1935-36, but it would seem that production will be generally larger than in 1934-35. Should exports of fresh citrus be reduced, more by-products than usual may be extracted in order to salvage as much as possible of the crop.

If the free flow of Italian citrus products is not permitted this season due to sanctions, there may be some change in the international flow of citrus products. Countries which ordinarily receive citrus fruits from Italy will be forced to look elsewhere. Most of the Italian orange and mandarin exports have usually gone to Germany, Austria, Hungary, and Switzerland. On the other hand, Italian lemons are much more widely distributed, with the United Kingdom and Germany the principal outlets. Cutting off the supply of these lemons would tax lemon producing countries of the world, notably the United States, to make up even as much as half of the Italian trade in lemons. Citrus by-products and oils, the bulk of which is supplied by Italy, would probably increase sharply in price were the trade to be cut off from Italy, and other producers of citrus by-products such as the United States, West Indies, and French Guinea would have the market virtually to themselves. Production of synthetic products would probably be greatly stimulated.

Cassius M. Dashiell

Cassius M. Dashiell, secretary-treasurer of the Tri-State Packers' Association, died on Christmas day at Princess

Anne, Md., after a short illness, at the age of eighty-seven years.

Forty-one years ago Mr. Dashiell helped to found the Peninsula Canned Goods Packers Association, which was later merged with the New Jersey Canned Goods Packers Association as the Tri-State Packers Association. He served as secretary-treasurer of this Association from the time of its organization. A man of sterling character and engaging personality, no canner on the Eastern Shore was better known or more widely loved.

Mr. Dashiell is survived by three brothers, John W. Dashiell of Pittsburgh, Pa., William H. Dashiell of Princess Anne, Md., and Louis Dashiell, Assistant Secretary, National Canners Association, Washington, D. C.

Farm Price Index Up 2 Points

The farm price index of the Bureau of Agricultural Economics was 110 on December 15, or 2 points higher than on November 15, and 9 points higher than on December 15, 1934.

Farmers received higher prices during the past month for lambs, sheep, veal calves, hogs, wheat, potatoes, rice, butterfat and apples; lower prices for corn, cotton, cottonseed and eggs. All groups of products except cotton, cottonseed, grain, and some miscellaneous items, are higher priced than a year ago.

The purchasing power of farm products as computed by the Bureau is 90, compared with 80 a year ago, and with 50 at the bottom of the farm depression in the summer of 1932. The five-year period 1909-1914 equals 100.

New Flavor Offered Canners is Examined

Inquiries received by the Research Laboratory from different sections and from canners packing various commodities indicate that the industry is being offered a flavor, whose name suggests the soya bean as its origin, to be added to the brine in canning various vegetables and other commodities, including seafoods, to improve the flavor. The Research Laboratory has examined a sample of this flavor sent in by an Association member and found it to consist of 6 per cent salt, while the remainder is sodium glutamate, the sodium salt of glutamic acid. Sodium glutamate has a flavor resembling bouillon.

Glutamic acid is one of the amino acids, of which there are approximately twenty that go to make up various proteins. Not all of these amino acids occur in any single protein nor in the protein from any single food. As the 26 letters of the alphabet make up the words that appears in the dictionary, so the amino acids occur in varying numbers and proportions to make up the different proteins in all sorts of products. The digestive process of proteins consists of breaking them down into their constituent amino acids.

The flavor examined therefore contains nothing unwholesome. Whether it improves the flavor of any commodity in canning and whether such improved flavor is worth its cost is, of course, a matter for each canner to decide for himself. Various claims are made with respect to this product. One is a suggestion regarding a monopoly on the use of it. Glutamic acid and its sodium salt have been used in condiments, particularly in Oriental countries, for a number of years. Glutamic acid or its sodium salt are well recognized chemicals

obtainable in various chemical houses. While there may be a monopoly on the manufacture of glutamic acid by any given procedure, there are numerous patents for its manufacture from various sources, such as soy beans, the waste in the beet sugar industry, wheat gluten, etc.

It is implied in the literature regarding the product that it would be impossible to detect it in any canned product in which it is used. There are available delicate quantitative tests for glutamic acid and, while not exactly specific for glutamic acid since certain other amino acids also give it, tests could undoubtedly be designed to detect its addition to any natural food product.

The use of the product in canning would have to be definitely declared on the label and it could not be declared as a trade name. It would have to be declared as sodium glutamate or, if the free acid were used, as glutamic acid.

Factors Affecting Distributors' Holdings

During the last fifteen or twenty years there has been a very definite tendency for distributors to carry smaller stocks of canned foods. Keen competition in the distributors' field has practically forced distributors to abandon the practice of carrying heavy stocks. This is especially true of the lower grades.

Hand-to-mouth buying is the term that is commonly applied to the current practice of distributors taking delivery from canners only as retail orders are being filled. Under this system of buying, wholesalers' stocks, in addition to being relatively lower than in former years, tend also to be much more uniform; that is, the seasonal fluctuations are not so pronounced.

The fact that distributors' stocks tend to be more uniform now than formerly merely serves to make canners' holdings more irregular than in former years. The storage function that was formerly performed by distributors is now to a considerable degree forced upon canners. In a seasonal industry such as the canning industry, there must necessarily be a decided seasonal aspect to the supply of canned foods. This seasonal characteristic is now reflected to a very large degree in canners' holdings.

Thus in general it can be stated that information regarding the stocks in canners' hands, if reported currently, serves as the best indication of the level of supplies of the grades that are highly competitive. Canners' stocks may also be made to show the rate of consumption of canned foods.

While it is true that, in general, distributors' holdings are more uniform throughout the season than they were a decade ago, there are certain conditions under which distributors' stocks may be above average and, likewise, conditions which may cause distributors' stocks to decline below average. The general supply and price situation is probably the most important factor affecting distributor's stocks.

During the Fall, distributors build up stocks in anticipation of their deliveries to retailers during the Winter, which is a high period of consumption. Likewise, there is a tendency for wholesalers' stocks to decline below average toward the end of Winter. This seasonal aspect of wholesalers' holdings does not, however, reflect the rate nor the volume of wholesale buying from canners. It tends to reflect the seasonal aspect of consumption.

Canners are primarily interested in active wholesalers' buying, regardless of whether wholesalers take delivery immediately. Wholesalers' buying is, of course, affected by the quantity of canned goods available, of the kind and quality needed for their trade, and also by their estimate of retail takings, which, of course, is directly affected by consumer demand. If supplies promise to be average or below, and prices correspondingly steady or high, wholesalers may buy earlier in the season and thus take ownership to a larger percentage of the pack during the early months than under conditions of large packs and low or declining prices.

When a wholesalers' profit is derived primarily from his function of finding retailers to take canners' goods, he is not so much concerned about the absolute price level as he is concerned about the prospects of price changes. Operating on a relatively narrow margin, if he finds himself the owner of large stocks of goods located either in his own warehouses or in canners' hands when prices are declining, he stands to take a speculative loss which may amount to more than his margin for handling.

Consequently, under conditions of declining prices, distributors are very likely to resort to straight hand-to-mouth buying. On the other hand, when prices are advancing, some distributors, either because of lack of capital or because of a conservative policy, may continue to adhere to hand-to-mouth buying. But many distributors will buy in advance of their needs in the hope that some speculative profit may be made from advancing prices as well as from their margin for handling.

Consequently, on the whole, if the distributors feel that the supply and demand conditions are such as to warrant advancing prices, early buying is likely to be more brisk than under conditions of declining prices. It is entirely possible, under these two sets of conditions, that wholesalers' stocks might continue on about the same level, reflecting of course the usual seasonal holdings referred to above.

Statistics of wholesalers' buying are not easily obtained. Detailed statements of canners' holdings showing stocks "sold but not shipped" and "unsold" stocks together with "shipments to wholesalers" serve as a definite indicator of wholesale buying as well as the movement into consuming channels. A careful check of the relation between stocks "sold but not shipped" and "unsold stocks" when compared with the same date in previous years, is probably the most reliable index of wholesale buying. And wholesaler buying reflects demand to a considerable degree.

November Retail Sales in Drug Chains

Average daily sales of chain drug stores in November, 1935, were 6.6 per cent larger than in November, 1934. Compared with the same month a year ago tobacco sales increased 10.3 per cent, fountain sales 13.1 per cent, and "all other" sales 3.2 per cent. Without any allowance for seasonal variation, November sales were 2.1 per cent larger than sales in October of this year.

A.A.A. Substitute Program Reported Ready

The Agricultural Adjustment Administration, according to reports that have appeared in the press from time to time, has prepared a substitute program to be adopted in event

the U. S. Supreme Court should invalidate the Agricultural Adjustment Act in whole or in part. This substitute program, it has been reported, will be introduced in Congress promptly following the Court's decision, if unfavorable.

In the *Baltimore Sun* for January 2nd, an article by J. F. Essary, head of the *Sun's* Washington bureau, describes what is stated to be the substitute program as follows:

"Two contingencies are provided by the Administration officials. The first involves the possibility that the court will upset the A.A.A. on the ground that there is an excess delegation of Congressional authority in levying a processing tax through the A.A.A.

"The other involves the possibility that the court will hold that A.A.A. operations concern purely intrastate instead of interstate commerce, and that such operations therefore are outside the regulatory powers of Congress.

"If the decision has to do only with an unconstitutional delegation of authority to the A.A.A. to lay and to collect a processing tax, Administration officials are convinced that the legislative remedy is comparatively simple.

"In place of the present processing tax, Congress would be asked to levy a series of specific excise taxes on food-stuffs, on cosmetics and on a series of other manufactured articles, mainly those which now enjoy tariff protection.

"The levies would not be unlike the existing processing taxes except that they would be laid by Congress itself instead of by the Secretary of Agriculture, and further that the returns would go into the general fund of the Treasury instead of into a special fund. Specific appropriations, then, of course, would have to be made by Congress out of that fund.

"As to the power of Congress to levy excise taxes, no doubt seems to exist in any quarter. They are levied now on liquor, tobacco, cigarettes and many other manufactured products.

"Nor does there seem to be any doubt in Administration quarters that specific appropriations may be made to cover benefit payments to farmers who may contract with the Government to do certain things.

"If, however, the Supreme Court's decision goes to the point of invalidating the A.A.A. on the ground that it is an attempt to regulate intrastate commerce, another solution would be needed.

"This, too, has been foreseen inasmuch as the decision of the court in the *N.R.A.* case points to the court's conclusion that crops, not moved, are essentially intrastate commerce.

"To overcome such a defect in the A.A.A., if found, the Administration probably will resort to the Federal-aid principle, long recognized as valid in many acts of Congress that already have met the constitutional test.

"The substitute program, therefore, would provide Federal help to those States wishing to have standard farm aid legislation, along the lines of highway appropriations for State use, social security and work relief.

"This phase of the program, it is understood, would call for action by the Legislatures of those States wishing to participate in the plan. Special sessions probably would be required in many instances.

"Also there might be some provision under which the States would match the Federal funds out of their own treasuries, but the sum required of them could be fixed at a minimum, if Congress should so ordain. The percentages which the States would be called upon to put up could be used, it is suggested, for purely administrative expenses.

"This plan seems to envisage State administrative bodies for the extension of aid to the farmers instead of the present Federal machinery existing under A.A.A. legislation.

"It is proposed that the Federal Government would lay down the standards, as it does in other instances, social security, for example. The contracts in that case would be between the Government and the individual States, and not between the Government and the individual farmers."

Further Frost Damage in Florida

Closely following the damage caused by frost on December 21st and 22nd, a cold wave Friday morning, December 27th, in Florida killed most of the tender vegetable crops that remained in Manatee County, according to reports received by the U. S. Bureau of Agricultural Economics. Some damage was reported to the cabbage crops and strawberry blooms in north Florida. Celery in the Sanford area and tomatoes in Collier County apparently escaped injury. Only light damage is reported to the Florida citrus crop.

At Charleston, S. C., temperature as low as 30 degrees was reported early Saturday morning, which caused some damage to the winter cabbage crop but apparently very little damage to the spring crop.

Memorandum on Labeling Widely Distributed

The memorandum on "Labeling Canned Foods," prepared by the Association for the information of the canning industry and trade, has already been given a wide distribution. Copies have been sent by the Association to all canners and label manufacturers and others in the canning machinery and supply business. Copies have also been supplied for distribution to the members of the National-American Wholesale Grocers Association, United States Wholesale Grocers Association, National Food Brokers Association, and Food and Grocery Chain Stores of America.

Canners attending the annual convention will find it advantageous to bring the memorandum with them for reference in connection with labeling discussions and study of the labeling exhibit which will be on display in the office of the Research Laboratories.

Resettlement Administration's Organization

The Association receives inquiries from time to time regarding the organization and work of the Resettlement Administration, and for the information of all Association members there is here reproduced a statement issued by the U. S. Information Service on the functions and personnel of the Resettlement Administration:

The Resettlement Administration was created by Executive Order No. 7027, dated April 30, 1935, under authority of the Emergency Relief Appropriation Act of 1935. By Executive Order No. 7028, dated April 20, 1935, transfer of

all property, functions, funds, etc., of the land program, Federal Emergency Relief Administration, to the Resettlement Administration, was authorized. Executive Order No. 7041, of May 15, 1935, authorized the transfer of property, functions, funds, etc., of the Division of Subsistence Homesteads, Department of the Interior, to the Resettlement Administration, and later the Land Policy Section of the Agricultural Adjustment Administration was transferred to the Resettlement Administration. The functions of the Rural Rehabilitation Division, FERA, were transferred to the Resettlement Administration, effective July 1, 1935, by Administrative order of the Federal Emergency Relief Administrator.

Purpose.—The duties and purpose of the Resettlement Administration, as prescribed by the President are:

(a) To administer approved projects involving resettlement of destitute or low-income families from rural and urban areas, including the establishment, maintenance, and operation, in such connection, of communities in rural and suburban areas.

(b) To initiate and administer a program of approved projects with respect to soil erosion, stream pollution, sea-coast erosion, reforestation, forestation, and flood control.

(c) To make loans, as authorized under the Emergency Relief Appropriation Act of 1935, to finance, in whole or in part the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers.

Organization.—The organization includes the following divisions: Business Management, Finance, Information, Investigation, Labor Relations, Legal, Personnel, Procedure, Works Progress and Reports, Land Utilization, Management, Rural Resettlement, Suburban Resettlement, Rural Rehabilitation, Construction, and Special Skills.

LAND UTILIZATION DIVISION

This Division initiates, plans and, after approval, executes land development projects. To it have been transferred the personnel, projects and funds of the Land Program of the FERA, and the personnel of the Land Policy Section of the AAA.

Selection of Lands for Purchase.—Lands are purchased for some public purpose such as recreation or wild life preservation, or because the continuance of some ill-adapted usage tends to produce serious social and economic problems. For administrative reasons land is purchased in solid project areas rather than scattered individual tracts.

National Park Service and Office of Indian Affairs Aid in Selection and Development of Lands.—Technical personnel working in conjunction with the National Park Service and the Office of Indian Affairs assist in selecting and developing lands needed for recreation use and Indian rehabilitation, although land acquisition and resettlement on all projects are the responsibility of the Land Utilization Division.

How Land Is Purchased.—When the approximate location of a proposed project is determined, landowners in the project area are informed of the possibility of selling their land to the Government. Prices are based on expert appraisals of each tract. Landowners deal directly with this Division.

Administration of Land Utilization Program.—The Regional Director of the Land Utilization Division is in charge of all work of the Division in each region, and all proposals for projects are taken up directly with him.

Resettlement of Families Removed from Land Purchased.—Families whose homes are sold to the Government under the Land Utilization Program are given necessary assistance by the Rural Resettlement Division in finding suitable homes elsewhere if they so desire.

RURAL REHABILITATION DIVISION

This Division plans and, after approval, executes projects for the rehabilitation of rural families. To this division have been transferred most of the functions of the Rural Rehabilitation Division of FERA.

Resettlement Administration Continues Rural Rehabilitation Program Started by FERA.—The Rural Rehabilitation Division continues and expands the program under which 290,000 farm families were taken from relief rolls in the Spring and Summer of 1934 by the Rural Rehabilitation Division of FERA. Farm families will be added, or substituted for those dropped from the original number, until the total reaches approximately 300,000.

Purpose of Rehabilitation Program.—The object of the program is to help farm families on relief to become self-sustaining on land on which they are now located or in the vicinity thereof. Families are usually handled individually and not as community groups.

Loans Made by Rural Rehabilitation Division.—Moderate sums are loaned to rehabilitants to be invested in capital goods, such as livestock, farm implements, materials for repair and construction of houses, barns, etc., and for subsistence goods until the families are able to provide their own subsistence.

These advances are made directly to the rehabilitant from the Resettlement Administration. The rehabilitant purchases his own goods according to a budget made for him by the local representative of the Resettlement Administration.

Security for Loans.—Loans are secured by notes and mortgages and are repayable within a reasonable time.

Agricultural Extension Service Cooperates.—The Agricultural Extension Service undertakes joint responsibility for investigating the needs and qualifications of rehabilitants, and for laying out and supervising the execution of a program of home and farm management for each case.

Families Eligible for Rural Rehabilitation Program.—Any farm family eligible for relief may be accepted for rehabilitation upon the recommendation of the Federal Emergency Relief Administration or other agency authorized to investigate need for public aid.

Application for Rural Rehabilitation.—Applications for rural resettlement are made to the local relief administrator or to the county farm agent or home demonstration agent, or to a representative of the Resettlement Administration.

Area Encompassed by Resettlement Program.—The program is being put into effect in practically all States, but is developing most rapidly in those areas, such as the cotton

and tobacco belts, where a larger part of the rural population is destitute.

RURAL RESETTLEMENT DIVISION

This Division cooperates with other agencies and other divisions to formulate a program of resettlement of families removed from areas purchased, or elsewhere. The Division also initiates proposals and plans for such projects.

Administration of Rural Resettlement Program.—The program of rural resettlement is administered by regional directors of the Rural Resettlement Division.

Relocation of Families.—If the land on which a family is located is too unprofitable to provide a satisfactory living, the family is removed to better land. Removal may be from any land whether Government purchased or not. Groups or individual families may be thus relocated. A few thousand families are being rehabilitated in organized rural communities, and up to 50,000 families will be assisted in relocating on better land.

Families Eligible for Rural Resettlement.—Any farm family eligible for relief may be accepted for rehabilitation upon the recommendation of the Federal Emergency Relief Administration or other agency authorized to investigate need for public aid.

Security for Loans.—Loans are secured by notes and mortgages and are repayable within a reasonable time.

SUBURBAN RESETTLEMENT DIVISION

The initiating, planning and, after approval, the construction of projects for low-cost housing communities in suburban areas adjacent to industrial centers is charged to this Division.

Supervises Certain Projects Begun by the Division of Subsistence Homesteads.—This Division has charge of certain projects turned over to it by the Division of Subsistence Homesteads of the Department of the Interior which was transferred to the Resettlement Administration by Executive order of the President. Those projects on which considerable work has been done will be completed; others will be held for further analysis. Applications for employment on these projects are made locally to the National Reemployment Service.

Funds for Construction of Low-cost Housing Communities.—These communities are constructed with funds allotted to the Resettlement Administration under the Works Program.

MANAGEMENT DIVISION

Application for Project Occupation.—Inquiries relative to eligibility for membership in communities are directed to project managers. A list of communities and their managers can be obtained from the Management Division, Resettlement Administration, Washington, D. C.

Management Division Assists in Organization of Community.—The Division assists in the organization of community or cooperative associations on the projects, assists in the adjustment of school, tax and economic relations of the projects to the surrounding counties and States, and undertakes the guidance, and in some cases the support, of educational and recreational facilities. It also advises, and, in some cases,

assists industry, handicraft, trading posts and agricultural marketing.

Trains Community Managers.—The Division has training courses in Washington for Community Managers.

Applications Reviewed to Determine Conformation with Regulations.—Upon receipt by the Resettlement Administration of a project application, it is thoroughly examined to determine its usefulness and feasibility and whether or not the proposal conforms with regulations laid down by the Resettlement Administrator.

Notification of Approval of Projects.—Notification of approval of projects will be made by the regional office of the Resettlement Administration.

In the Information Letter of November 16th there was published a list of the regions into which the country is divided for carrying on the Resettlement Administration's activities, along with the address of the headquarters for each region.

Fruit and Vegetable Market Competition

Carlot Shipments as Reported by the Bureau of Agricultural Economics, Department of Agriculture

| Commodity | Week ending Dec. 28 | | Week ending Dec. 21 | | Total for season through Dec. 28 | |
|------------------------------|------------------------|-------|------------------------|--|--|--------|
| | 1934 | 1935 | 1935 | | 1934 | 1935 |
| Vegetables: | | | | | | |
| beans, snap and lima | 78 | 86 | 70 | | 1,578 | 1,515 |
| Tomatoes | 215 | 234 | 228 | | 26,199 | 24,211 |
| Green peas | 59 | 32 | 68 | | 6,964 | 7,864 |
| Spinach | 126 | 140 | 375 | | 1,066 | 1,479 |
| All other vegetables: | | | | | | |
| Domestic, competing directly | 2,580 | 2,943 | 3,058 | | 112,875 | 92,957 |
| Imports— | | | | | | |
| Competing directly | 13 | 29 | 28 | | 31 | 82 |
| Competing indirectly | 14 | 35 | 52 | | 581 | 871 |
| Fruits: | | | | | | |
| Citrus, domestic | 2,244 | 2,148 | 3,296 | | 31,658 | 27,161 |
| Imports | 2 | 0 | 9 | | 261 | 369 |
| Others, domestic | 117 | 100 | 143 | | 52,319 | 49,819 |

Women Like Manufacturing Information

Revision of the leaflets on peas, corn and tomatoes in popular form has resulted in increased requests for them from women's clubs and other consumer organizations. This makes it clear that women are interested not only in the nutritive value of canned foods, methods of using them, their wholesomeness, and the background of scientific research, but also in the manufacturing processes when facts about canning methods are presented in an easily understandable form.

Comparatively few women ever have the opportunity to make personal visits to canning plants, and the next best method of acquainting them with commercial canning methods is by the printed word. Circulation of authoritative information of this character promotes better understanding by consumers of the problems confronting the canner and a greater appreciation of the care exercised in preparing canned foods.